REMARKS

This response is intended as a full and complete response to the non final Office Action mailed July 25, 2006. In the Office Action, the Examiner notes that claims 1-7, 9-26, 28-45 and 51-58 are pending and rejected. By this response, Applicants have amended claims 32 and 51.

In view of foregoing amendments and the following discussion, Applicants submit that none of the claims now pending in the application are obvious under the provisions of 35 U.S.C. §103 or directed to non-statutory subject matter under 35 U.S.C. §101. Further, Applicants have addressed the Examiner's Double Patenting Rejections and submit that none of the claims are double patented under the statutory type of double patenting rejection, and that a terminal disclaimer will be filed for those claims being rejected for the judicially created doctrine of double patenting. Thus, Applicants believe that all of the claims are now in allowable form.

It is to be understood that Applicants, by amending the claims, do not acquiesce to the Examiner's characterizations of the art of record or to Applicants' subject matter recited in the pending claims. Further, Applicants are not acquiescing to the Examiner's statements as to the applicability of the art of record to the pending claims by filing the instant response.

Statement of Substance of Interview

An interview concerning the present Application was held on August 15, 2006. The interview included Examiner Hunter Lonsberry from the USPTO and Jasper Kwoh, representative of the Applicants.

The Applicants' representative wishes to thank the Examiner for the courtesies extended during the interview. During the telephonic interview, no exhibitions were shown, and no demonstration was conducted. Applicants thank the Examiner for indicating in the telephone interview that all the claims not rejected 35 U.S.C. §103(a) includes allowable subject matter.

Moreover, claims 32 and 51 were discussed in detail. The substance of the interview was regarding the rejection of those two claims. The examiner stated that claim 51 failed to meet the interim 101 guidelines and claim 32 lacked the multiplication

steps included in all the other allowed claims. The Examiner gave some suggestions regarding the claims. Thus, it was agreed that claim 32 will be amended to include the multiplying step, and claim 51 will be amended to overcome the 101 rejection as suggested by the Examiner. A terminal disclaimer to obviate a provisional double patenting rejection over a pending "reference" application is included with this response as agreed to in the phone interview.

REJECTIONS

Double Patenting

Obviousness Double Patenting

The Examiner has rejected claims 1, 6, 32, 42, 51 and 54 provisionally under the judicially created doctrine of obviousness-type double patenting as being unpatentable over, respectively, claims 1, 6, 32, 42, 51 and 54 of copending Application Serial No. 09/628,805.

In response, Applicants have filed a Terminal Disclaimer to Obviate a Provisional Double Patenting Rejection over a Pending "Reference" Application. As such, Applicants respectfully request that the obviousness-type double patenting rejection be withdrawn.

35 U.S.C. §101

The Examiner has rejected claim 51 under 35 U.S.C. §101 "because the claimed invention is directed to non-statutory subject matter." Applicants have amended the preamble of claim 51 to satisfy the interim 101 guidelines as suggested by the Examiner. Thus, the rejection should be withdrawn.

35 U.S.C. §103

Claims 32-41

The Examiner has rejected claims 32-41 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent 6,177,931 to Alexander (hereinafter "Alexander") in view of of U.S. Patent 6,493,872 to Rangan (hereinafter "Rangan"), U.S. Patent 5,991,735 to Gerace (hereinafter "Gerace") and U.S. Patent 5,724,521 to Dedrick (hereinafter "Dedrick"). Applicants respectfully traverse the rejection.

Applicants' independent claim 32 recites:

> 32. A method for assigning targeted virtual objects to virtual object locations in one or more video programs, comprising:
> identifying the one or more video programs to carry the targeted virtual objects;
> assigning the targeted virtual objects to target categories;
> dividing one or more target categories into groups of viewers;
> ranking one or more of the video programs based on the target categories and a first percentage of total viewers in one or more groups of viewers;
> ranking the targeted virtual objects based on a second percentage of total viewers in one or more groups of viewers;
> determining, for one or more of the video programs and one or more of the targeting categories, targeted virtual objects with overall highest rankings, based on multiplying the first and the second percentages;
> assigning one or more targeted virtual objects as default virtual objects;
> assigning one or more targeted virtual objects as alternate virtual objects;
> assigning the default virtual objects and the alternate virtual objects to the virtual object locations; and
> reporting the assigned virtual objects from terminals to a remote location. (emphasis added).

Applicants' independent claim 32 includes the limitations "determining, for one or more of the video programs and one or more of the targeting categories, targeted virtual objects with overall highest rankings, based on multiplying the first and the second percentages". Alexander merely discloses that advertisement library, history of use, information boxes are used to analyze what ads to display. It is silent on multiplying percentages to obtain a result for each virtual object. It does not teach or suggest "determining, for one or more of the video programs and one or more of the targeting categories, targeted virtual objects with overall highest rankings, based on multiplying the first and the second percentages" of the present invention. Both Rangan and Gerace also do not teach or suggest "determining, for one or more of the video programs and one or more of the targeting categories, targeted virtual objects with overall highest rankings, based on multiplying the first and the second percentages." Thus, even if Alexander, Rangan and Gerace are operably combinable, the combined references still fail to teach or suggest Applicants' invention as a whole.

Dedrick fails to bridge the substantial gap between the Alexander, Rangan and Gerace references and Applicants' invention. Dedrick discloses a number of consumer variables characterizing the end users, which allows the software tool to place weights on the variables. A threshold is set up for the advertisers to pay the fees on advertisements depending on the amount of match for the particular advertisement (see, col. 6, lines 12-32). In another embodiment, Dedrick uses linear interpolation method to determine a percentage of the variables that must be satisfied by a percentage of the end user for the advertisers to pay a certain percentage of the maximum fee. Dedrick does not teach or suggest "determining, for one or more of the video programs and one or more of the targeting categories, targeted virtual objects with overall highest rankings, based on multiplying the first and the second percentages" as claimed in claim 32.

Thus, Alexander, Rangan, Gerace and Dedrick, singly or in combination, fail to teach or suggest claim 32 as a whole. Therefore, the combined references fail to teach or suggest Applicants' invention as a whole.

As such, Applicants submit that independent claim 32 and dependent claims 33-41 which depend directly or indirectly from independent claim 32 are not obvious and fully satisfy the requirements of 35 U.S.C. §103 and are patentable thereunder. Therefore, Applicants respectfully request that the Examiner's rejection be withdrawn.

CONCLUSION

Thus, Applicants submit that none of the claims presently in the application are directed to non-statutory subject matter or are obvious under the respective provisions of 35 U.S.C. §§101 and 103. Applicants further submit that Applicants have addressed the Examiner's double patenting rejections. Accordingly, both reconsideration of this application and its swift passage to issue are earnestly solicited.

If, however, the Examiner believes that there are any unresolved issues requiring adverse final action in any of the claims now pending in the application, it is requested that the Examiner telephone Eamon J. Wall or Jasper Kwoh at (732) 530-9404 so that appropriate arrangements can be made for resolving such issues as expeditiously as possible.

Respectfully submitted,

Dated: 8/23/06

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